

City of Detroit


CITY COUNCIL

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ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: Craig Rice, Director
General Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 21, 2010

RE: 2010-2011 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General
Tom Lijana, Finance Director
Pamela Scales, Budget Director
Donna McAlister, Executive Budget Manager
Kamau Marable, Mayor's Office

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General Services (47)

FY 2010-2011 Budget Analysis by the Fiscal Analysis Division

Summary

The General Services Department is a General Fund agency. The recommended 2010-2011 General Fund appropriation budget is \$58.6 million, a \$2.85 million decrease over the current year's Redbook budget. The department's capital improvement appropriation is \$-0-, a decrease of \$1.1 million from the current year's budget.

This fourth-year department was created to take on overhead functions common to supporting city operations. The initial activities are Facilities and Ground Maintenance, Inventory Management and Fleet Management. It was the goal in 2006-2007 that staff and contracts from major departments would be transferred to the General Services Department, potentially saving money and freeing up these departments to focus on their vital field operations.

2009-2010 Surplus/Deficit

The Budget Department has projected a \$.6 million surplus for General Services – a surplus of \$.86 million in appropriations offset by a deficit of \$.2 million in revenues.

Overtime

The recommended 2009-2010 overtime budget is \$2.04 million. The current year's overtime budget is \$1.35 million. \$1.45 million has been spent on overtime through March 31, 2010.

Personnel and Turnover Savings

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2009-10</u>	<u>Filled Positions 03/31/2010</u>	<u>Mayor's Budget Positions FY 2010-11</u>	<u>Over/(Under) Actual to 09/10 Budget</u>
General Services (47):				
470005 Administration	7	6	8	(1)
470007 Administrative Support Unit	3	3	5	0
470008 Property Management	0	0	0	0
11825 Administration	10	9	13	(1)
470009 Property Management	1	1	0	0
470010 Facilities Management	3	0	8	(3)
470015 Grounds Maintenance	85	84	86	(1)
470020 Building Services	36	45	42	9

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2009-10</u>	<u>Filled Positions 03/31/2010</u>	<u>Mayor's Budget Positions FY 2010-11</u>	<u>Over/(Under) Actual to 09/10 Budget</u>
General Services (47):				
480030 Skilled Trades	70	58	59	(12)
470035 Security	18	24	21	6
470037 D-DOT Security	16	9	0	(7)
11830 Facility & Grounds Maint.	229	221	216	(8)
470040 Inventory Management	8	6	6	(2)
470050 DPW Stores	2	2	2	0
470060 Fire Apparatus Stores	1	1	1	0
470070 Recreation Stores	0	0	0	0
470080 PLD Stores	0	0	0	0
470085 Health Stores	2	2	2	0
470095 Police Stores	1	4	2	3
11831 Inventory Management	14	15	13	1
470100 Fleet Management	140	139	140	(1)
470110 Street Maintenance Garage	0	0	0	0
470200 Non Park Forestry- Street Fund	48	39	47	(9)
470300 Median Grass Cutting	0	0	0	0
470400 Freeway Berm Grass Cutting	0	0	8	0
12154 Non Park Forestry - Street Fund	48	39	55	(9)
12171 Park Development Workforce	0	0	0	0
12664 GO Bonds Park Develop Work 08	0	0	0	0
12700 Tree trimming & Removal - Street Fund	15	4	0	(11)
12886 GO Bonds Park Development Work	0	0	0	0
13152 GSD Street Maintenance Garage	0	0	21	0
Leave of Absence	0	3	0	3
Workman's Comp	0	(4)	0	(4)
Unmatched	0	(4)	0	(4)
TOTAL	<u>456</u>	<u>426</u>	<u>458</u>	<u>(30)</u>

There is a net increase of 2 ftes. Below is a detailed account of the recommended position cuts by title and by fund. The chart also indicates which positions are filled and will necessitate layoffs. The department's salary and wage accounts are reduced by \$1.8 million.

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Add</u>	<u>Filled/Layoff</u>	<u>Vacant</u>	<u>New</u>
Administration						
	General Manager – General Services			(1)		
	Principal Clerk			(1)		
	Assistant to the Mayor II			1		
	Executive Asst. to the Mayor III			1		
	Executive Asst. to the Mayor V			1		
	General Manager – Gen Services			1		

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Adds</u>	<u>Filled/Layoff</u>	<u>Vacant</u>	<u>New</u>
	Senior Clerk			1		
Facilities and Grounds Maintenance						
	Property Management Manager I – General Services	GF	(1)			
	Facilities Management Manager I – General Services	GF	1			
	Construction Project Coordinator	GF	1			
	Chief Landscape Architect	GF	1			
	Bldg Oper Sprvr – Gr II	GF	1			
	Assoc. Landscape Architect	GF	1			
	Ground Maintenance Park Maintenance Supervisor - Grade II	GF	3			
	Park Development Sub-Foreman	GF	1			
	District Clerk	GF	(1)			
	Floriculture Foreman	GF	(1)			
	Floriculture Helper	GF	1			
	Laborer A	GF	(1)			
	Sr. Clerk	GF	(1)			
	Building Services Bldg Oper Sprvr – Gr II	GF	(1)			
	Sr. Building Attendant	GF	(1)			
	Building Attendant A	GF	8			
	Skilled Trades Building Maint. Operator Supervisor	GF	(1)			
	Electrical Worker General	GF	(1)			
	Master Plumber	GF	(1)			
	Steamfitter	GF	(1)			
	Finish Painter	GF	(1)			
	Refrigeration Equip Operator First Class	GF	1			
	Building Control Station Operator	GF	(1)			
	Skilled Trades Building Trades Worker - General	GF	(2)			
	Skilled Trades Electrical Equipment Technician	GF	(1)			
	Skilled Trades Building Tradesworker General	GF	(2)			
	Skilled Trades Recreation Facilities Operator	GF	(2)			
	Skilled Trades Boiler Operator Low Pressure	GF	(1)			
	Skilled Trades Building Trades Helper	GF	1			
	Skilled Trades Mechanical Helper	GF	(1)			
	Security Senior Service Guard General	GF	2			
	Security Service Guard Public Utility	GF	(1)			
	Security Service Guard General	GF	1			
	Security Head Property Guard	GF	(1)			
	Senior Museum Guard	GF	1			
	Senior Property Guard	GF	1			
	DDOT Security Service Guard General	GF	(13)			
	Asst. Security Admin – DOT	GF	(1)			
	Sr. Service Guard – General	GF	(2)			
	Manager II – General Services	GF	(1)			
	Delivery – Driver	GF	(1)			
	Police Stores Head Storekeeper	GF	(1)			
	Assistant Storekeeper	GF	2			
Inventory Management						
	Fleet Management General Manager	GF	(1)			
	Fleet Management App Emergency Mechanic	GF	1			
	Fleet Management Gen Auto Body Mechanic	GF	(1)			
	Fleet Management District Clerk	GF	(1)			
	Fleet Management Principal Clerk	GF	1			

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Adds</u>	<u>Filled/Layoff</u>	<u>Vacant</u>	<u>New</u>
	Fleet Management General Machinist	GF		1		
Non-Park Forestry - Street Fund						
	Non-Park Forestry - Street Fund Associate Forester	SF		(1)		
	Asst. Forester	SF		(1)		
	Construction Equip Operator	SF		5		
	Sr. Supv of Mech Maintenance	SF		(1)		
	Vehicle Operator III	SF		(4)		
	Vehicle Operator I	SF		(1)		
	Auto Repair Foreman	SF		(1)		
	Refuse Collection Supervisor	SF		(1)		
	Sr. Tree Artisan	SF		(2)		
	Tree Artisan	SF		3		
	Sr. Associate Forester	SF		1		
	Storekeeper	SF		1		
	District Clerk	SF		1		
	Freeway Berm Grass Cutting Vehicle Operator I	SF		2		
	Laborer A	SF		4		
	Refuse Collection Supervisor	SF		1		
	Street Maint Foreman	SF		1		
Tree Trimming and Removal – St. Fund	Senior Tree Artisan	SF		(1)		
	Tree Artisan	SF		(14)		
Street Maint Garage – Street Fund	Sr. Supervisor of Mech. Maint	SF		1		
	Auto Repair Sub Foreman	SF		1		
	Boiler Operator – Low Pressure	SF		1		
	Auto Repair Foreman	SF		2		
	General Auto Mechanic	SF		16		
Total				2		

The Administration has provided no detail whether these positions are transfers or if any layoffs are involved.

Significant Changes in Funding

Salary and wage appropriations decrease by \$1.8 million, with benefits decreasing by \$123,000 –

Contractual Services decrease by \$1.6 million - \$1.7 million decrease for contractual security, \$214,000 decrease for janitorial services and a \$330,000 increase for miscellaneous service contracts.

Operating Supplies are down by \$687,000, primarily due to a drop in the fuel account by \$500,000.

Operating Services and Utility accounts have increased by \$1.5 million – an increase of \$1.5 million for Automotive Repairs and Maintenance, a decrease of \$777,000 to Repairs and Maintenance for Buildings and Grounds and an increase of \$463,000 for steam and PLD electricity.

Miscellaneous and Purchased Services have dropped by \$335,000, which includes a decrease of \$260,000 for Building Operating Expense.

General Services (47)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2009-10 Budget</u>	<u>FY 2010-11 Recommended</u>	<u>Increase (Decrease)</u>
Administration	\$ -	\$ -	\$ -
Facilities & Grounds Maintenance	8,267,511	\$ 5,659,714	\$ (2,607,797)
Inventory Management	2,887,683	3,214,089	\$ 326,406
Fleet Management	50,000	747,681	
Capital Improvements	-	-	\$ -
Non-Park Forestry-Street Fund	-	-	\$ -
Total	<u>\$ 11,155,194</u>	<u>8,873,803</u>	<u>\$ (2,281,391)</u>

Issues and Questions

1. Other cities that use the General Services model have included other functions such as ITS and the Detroit Building Authority's services. Are there plans to add additional centralized functions to GSD?
2. Now that the fourth year is almost complete, have the three existing functions been completely consolidated? What is a good example of the difficulty in consolidation? What is a good example of the benefits of consolidating these functions?
3. What sorts of savings have been realized when negotiating contract renewals for janitorial services and security services? The 2007-08 actual expenditures for contractual security were \$6.7 million and three years later, the recommended budget is \$3.6 million. Has "bundling" service really created this savings or is a smaller level of service being provided?
4. Is the fuel account decreasing by \$500,000 due to efficiencies or due to the fact that the fleet is downsizing?
5. Why are all the DOT Security Staff being eliminated? What is the plan?
6. What is happening with all the leased vacant space in Cadillac Tower now that Recreation has moved to Northwest Activities Center? Please provide an updated master list of all existing leases throughout the city, along with expiration dates and if it is currently being used and by which department?
7. Please explain how the department is able to budget revenue of \$922,000 for building rentals?

8. Where these positions shifted and removed due to vacancies, retirement, or identified as a layoff due to shift in program priority or elimination of program?
9. Are there any revenue collection issues related to the reduction in positions?
10. What user fees are charged by you agency? Are there any increases in fees charged by your agency in the Mayor's Recommended Budget? When was the last study done that compared cost to provide services to the fees generated?
11. Is there any additional Stimulus funding the agencies are aware of that they could attempt to secure?
12. When must the currently awarded Stimulus funding be expended? Does the agency see any problems in meeting that time frame?
13. How many cars will be turned in from your agency? As GSD is responsible for the fleet, how many cars do you expect to be returned citywide?
14. How many employees who are turning in cars will be given a stipend?
15. How many are currently receiving a stipend?
16. What, if any, operational issues do you foresee due to the turning in of vehicles?
17. Why were the vehicles in your agency not turned in during the last fleet reduction effort?
18. Are there changes to the Charter that would improve your department's efficiency?